

Message Text

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
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P 140320Z JUL 76

FM USLO PEKING

TO SECSTATE WASHDC PRIORITY 5961

C O N F I D E N T I A L SECTION 1 OF 4 PEKING 1284

EXDIS

E.O. 11652: GDS

TAGS: PFOR CH US

SUBJECT: VERBATIM TRANSCRIPT OF MEETING BETWEEN SENATOR
SCOTT AND FOREIGN MINISTER CHIAO KUAN-HUA

REF: PEKING 1278

TIME: 4:00 P.M. TO 6:00 P.M., MONDAY, JULY 12, 1976

PLACE: NUMBER THREE GUEST HOUSE, PEKING

PARTICIPANTS:

1. CHINESE:

CHIAO KUAN-HUA, MINISTER OF FOREIGN AFFAIRS

SHIH YEN-HUA, INTERPRETER

CHOU PEI-YUAN, VICE-PRESIDENT, CHINESE PEOPLE'S INSTITUTE OF
FOREGIN AFFAIRS (CPIFA)

TANG WEN-SHENG, DEPUTY DIRECTOR, AMERICAN AND OCEANIC AFFAIRS
DEPARTMENT, FOREGIN MINISTRY

MA CHIA-CHUN, DEPUTY SECRETARY GENERAL, CPIFA

CHAO CHI-HUA, DEPUTY DIVISION CHIEF, AMERICAN AND OCEANIC AFFAIRS
DEPARTMENT, FOREIGN MINISTRY

FAN KUO-HSIANG, DEPUTY DIVISION CHIEF, CPIFA

CHENG WAN-CHEN, STAFF, CPIFA

2 NOTETAKERS

2. AMERICAN:

SENATOR SCOTT

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MRS. SCOTT

AMBASSADOR GATES, CHIEF, USLO
ROBERT BARNETT, DIRECTOR, ASIA SOCIETY
RICHARD QUICK, ADMINISTRATIVE ASST TO SEN. SCOTT
TERENCE SHEA, DEPT. OF STATE
CHARLES W. FREEMAN, JR., DEPT. OF STATE
DONALD KEYSER, USLO (NOTETAKER)

RECORD OF CONVERSATION:

CHIAO KUAN-HUA: IT IS A GREAT PLEASURE TO SEE YOU AGAIN. IT HAS
ALREADY BEEN FOUR YEARS SINCE OUR LAST MEETING.

SENATOR SCOTT: IT HAS BEEN TOO LONG. BUT I HAVE BEEN SO BUSY.
AND WE HAVE HAD SO MANY CRISES.

CHIAO: THAT IS ONE OF THE CHARACTERISTICS OF THE PRESENT-DAY WORLD.

SCOTT: THE LIFE OF A POLITICIAN IS ALWAYS COMPLICATED. MAY I SAY
THAT THE CHIEF OF USLO, AMBASSADOR GATES, IS A LONG-TIME PERSONAL
FRIEND OF MINE. HE IS FROM MY STATE, MY CITY, AND MY NEIGHBORHOOD
IN PHILADELPHIA. AT ONE TIME HE WAS ALSO MY CAMPAIGN MANAGER.

CHIAO: THAT IS VERY GOOD. HE MUST HAVE GIVEN YOU GOOD ADVICE.

SCOTT: I ALSO BRING GREETINGS FROM SEN. MANSFIELD. IT IS NO SECRET,
I BELIEVE, THAT HE LOOKS FORWARD TO SEEING YOU IN THE AUTUMN -- IF
THE ARRANGEMENTS CAN BE WORKED OUT.

CHIAO: IS HE IN GOOD HEALTH?

SCOTT: YES, AND HIS WIFE IS ALSO WELL. WE ARE BOTH RETIRING IN
ORDER TO HAVE MORE TIME TO SPEND WITH OUR FAMILIES.

CHIAO: YOU AND SEN. MANSFIELD HAVE BEEN VETERAN SOLDIERS IN AM-
ERICAN POLITICS.

SCOTT: YES, WE HAVE SERVED FOR 1/6 OF THE LIFE OF THE AMERICAN
REPUBLIC. FOR 34 YEARS EACH.
MANY MEMBERS OF MY PARTY HAVE NOT VISITED THE ASIAN CONTINENT
BEFORE. THE CHINESE PEOPLE HAVE BEEN VERY HELPFUL AND FRIENDLY.
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AND WE THANK YOU VERY MUCH.

CHIAO: YES, THE CHINESE AND AMERICAN PEOPLES HAVE MANY POINTS IN
COMMON. (THE INTERPRETER HAD RENDERED SEN. SCOTT'S REMARKS AS
"THE CHINESE PEOPLE ARE CHARACTERISTICALLY VERY HELPFUL AND
FRIENDLY.")

SCOTT: PRESIDENT FORD HAS ASKED ME TO EXTEND HIS PERSONAL GOOD

WISHES TO YOU. HE HAS VERY PLEASANT RECOLLECTIONS OF HIS VISIT.

CHIAO: YES, THE FIRST TIME HE CAME AS A CONGRESSMAN AND THE SECOND TIME AS PRESIDENT. LAST YEAR HE HAD A VERY GOOD CONVERSATION WITH CHAIRMAN MAO. PLEASE CONVEY MY GREETINGS TO HIM.

CHIAO: THERE IS AN ELECTION CAMPAIGN GOING ON NOW IN THE UNITED STATES. WE ARE OUTSIDERS AND DO NOT UNDERSTAND EVERYTHING. WHAT ARE THE ELECTION PROSPECTS IN YOUR VIEW?

SCOTT: I CAN ONLY EXPRESS A PERSONAL OPINION, AND WE ARE ALL SUBJECT TO ERROR. AMONG THE REPUBLICANS, THE PRESIDENT IS LIKELY TO BE NOMINATED. IT IS NOT CERTAIN, BUT IT IS MORE LIKELY THAN HIS OPPONENT. I'VE BEEN WRITING POSTCARDS TO DELEGATES FROM PEKING ASKING THEM TO SUPPORT THE PRESIDENT. 1130 DELEGATES ARE NEEDED TO NOMINATE AT KANSAS CITY. MY PERSONAL EXPECTATION IS THAT THE PRESIDENT WILL REACH 1108. REGAN WILL HAVE ABOUT 1085, POSSIBLY 1090. SUCH IS THE PHILOSOPHY OF DELEGATES THAT THERE IS A TENDENCY WHEN ONE CANDIDATE IS WITHIN 20 VOTES FOR DELEGATES TO HURRY TO BE WITH THE WINNER. FORD NEEDS ONE STATE, AND REGAN NEEDS TWO OR MORE STATES TO BE THE NOMINEE. I WILL BE CHAIRMAN OF THE THIRD LARGEST STATE DELEGATION. THERE WILL BE CERTAIN CONTROVERSIES OVER FEATURES OF THE PLATFORM. WE DO NOT EXPECT WIDE VARIATIONS WITH REGARD TO ASIA. AMONG THE DEMOCRATS, CARTER TO THE GREAT SURPRISE OF THE AMERICAN PEOPLE HAS GOT THE NOMINATION. HE IS UNKNOWN TO THE REPUBLICANS AND TO THE MAJORITY OF THE DEMOCRATS -- WHO ARE NOW OBLIGED TO SUPPORT HIM. THE TEMPERAMENT OF CARTER IS THAT OF AN EMOTIONAL MAN, AN EVANGELIST, AND THIS HAS STRUCK A RESPONSIVE NOTE WITH A LARGE NUMBER OF AMERICANS. IN THE POLLS CARTER IS AHEAD OF THE PRESIDENT BY A WIDE MARGIN. BUT 3 MONTHS AGO THE PRESIDENT WAS SIMILARLY AHEAD OF CARTER. CARTER HAS NO EXPERIENCE IN FOREIGN AFFAIRS. HE IS TAKING ADVICE FROM BRZEZINSKI AND VANCE IN FOREIGN AFFAIRS. GOVERNOR CARTER HAS BEEN ABLE TO SECURE THE NOMINATION WITHOUT

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MAKING POSITIVE STATEMENTS. FROM NOW ON HE MUST MAKE FIRMER STATEMENTS AND WILL THUS BE SUBJECT TO ATTACK FROM PRESIDENT FORD AND HIS SUPPORTERS. IT IS DIFFICULT TO PREDICT THE OUTCOME. I THINK THAT THE MARGIN IS LESS THAN THE POLLS WOULD INDICATE. BUT AS OF TODAY THEY STILL FAVOR CARTER. BUT IT CAN CHANGE -- AND I HOPE IT WILL. THERE WAS AN EVEN GREATER CHANGE IN REPUBLICAN SENTIMENT IN 1968. NIXON WAS AHEAD OF SEN. HUMPHREY BY 15 PCNT IN THE POLLS, BUT IN THE ELECTION NIXON WON BY ONLY 1 PCNT. THE ELECTORATE IS SUBJECT TO RAPID CHANGES. WE ARE HOPEFUL OF OVERCOMING THE MOMENTARY LEAD OF CARTER.

CHIAO: THANK YOU FOR YOUR EXPLANATION OF THE SITUATION. THIS IS YOUR INTERNAL AFFAIR.

SCOTT: AS ALWAYS, I'M VERY CANDID WITH YOU. I'M CERTAINLY HELPING

THE PRESIDENT. WE BELIEVE HIS PERSONALITY WILL GAIN ADDED
SUPPORT FOR HIM.

CHIAO: THERE IS STILL SOME TIME. THERE MAY BE SOME CHANGES.
YOUR ELECTION IS ALWAYS TROUBLESOME FOR FOREIGNERS TO OBSERVE.
THERE ISN'T MUCH INFORMATION. WHEN AMBASSADOR GATES ASKED ME,
I SAID I FOUND IT DIFFICULT TO ANSWER.

FKMB. GATES: I REMEMBER.

SCOTT: THIS WEEK I SAT NEXT TO PRINCE PHILIP AT A WHITE HOUSE
DINNER. HE ASKED ME
BO EXPLAIN TO HIM OUR ELECTORAL SYSTEM. I
FEAR HE STILL DOES NOT UNDERSTAND.

CHIAO: FRANKLY, WE DON'T UNDERSTAND YOUR ELECTORAL PROCESS EITHER.

SCOTT: THEY (I.E. ELECTIONS) DO CREATE A SITUATION WHICH INTERFERES
WITH USUAL PROGRESS. SIX MONTHS OUT OF EVERY THREE OR THREE AND
A HALF YEARS MAKES PROBLEMS IN FOREIGN POLICY DUE TO CRITICISM FROM
ONE SIDE OR ANOTHER.

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FM USLO PEKING
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C O N F I D E N T I A L SECTION 2 OF 4 PEKING 1284

EXDIS

CHIAO: I THINK THAT THIS TIME WE HAVE NOTED THAT FOREIGN POLICY IS
ONE OF THE THEMES OF THE CAMPAIGN.

SCOTT: YES, BUT FOLLOWING THE ELECTION THERE GENERALLY IS A BROAD
CONTINUITY NOTWITHSTANDING SOME OF THE EXAGGERATIONS IN CAMPAIGN
RHETORIC. DURING THIS ELECTION YEAR, THE GOOD WILL TOWARDS PEOPLE
OF YOUR COUNTRY REMAINS SO, EVEN MORE SO. THERE IS CURIOSITY AND

INTEREST ABOUT CHINA. MY MAIL IS FULL OF REQUESTS FOR INFORMATION ON HOW TO VISIT YOUR COUNTRY. THERE ARE NOT DEBATES ON CHINA POLICY AS WITH OTHERS.

CHIAO: THE SHANGHAI COMMUNIQUE IS IN ACCORD WITH THE INTERESTS OF THE TWO PEOPLES. WHATEVER CHANGES THERE ARE IN THE US INTERNAL SITUATION, THE PRINCIPLES OF THE SHANGHAI COMMUNIQUE ARE IN THE INTERESTS OF THE TWO PEOPLES.

SCOTT: I AGREE. WHETHER FORD OR CARTER WINS, THE SHANGHAI COMMUNIQUE PRINCIPLES WILL BE RECOGNIZED AS IMPORTANT GUIDELINES ONCE WE HAVE PASSED THROUGH THE TURBULENT WATERS OF THE CAMPAIGN. CERTAINLY THERE IS A WISH TOWARDS NORMALIZATION; A RECOGNITION THAT SOME DELAYS AND SOME DISAPPOINTMENTS ON BOTH SIDES HAVE OCCURRED EXISTS. THE PRINCIPLES HAVE THE ACCEPTANCE OF THEIR PEOPLE. WE HAVE HEARD NO CAMPAIGN TO ABROGATE OR WITHDRAW FROM THE AGREEMENTS IN PRINCIPLE.

MY PARTY WOULD LIKE TO EXTEND CONDOLENCES ON THE DEATH OF YOUR DISTINGUISHED AND FAMOUS LEADER MR. CHU TEH.

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CHIAO: THANK YOU VERY MUCH. WE ALSO THANK YOUR PRESIDENT FOR HIS CONDOLENCE MESSAGE. YOUR CHIEF OF USLO ALSO TOOK PART IN THE FUNERAL ACTIVITIES.

SCOTT: WE ASKED TO SUBMIT A WREATH ON BEHALF OF THE DELEGATION, BUT WE LEARNED THAT IT WAS TOO LATE AND NOT THE TIME TO DO IT.

COULD YOU COMMENT ON THE IMPACT OF THE LOSS OF GENERAL CHU TEH ON THE GENERAL FRAMEWORK OF GOVERNMENTAL LEADERSHIP AND DUTIES. THERE IS ALWAYS AN IMPACT IN OUR COUNTRY WHEN A MAN AS GREAT AS GENERAL CHU TEH DIES.

CHIAO: MARSHAL CHU TEH'S DEATH WAS A GREAT LOSS TO OUR COUNTRY AND PEOPLE. BUT OUR STATE ADMINISTRATION IS PERSONALLY DECIDED BY CHAIRMAN MAO AND WE HAVE CONSTANTLY CARRIED OUT THIS LINE BOTH AT HOME AND IN FOREIGN AFFAIRS. WE MUST TURN GRIEF INTO STRENGTH. THE CHINESE PEOPLE WILL MOVE FIRMLY TO CARRY OUT THESE POLICIES.

SCOTT: HIS LIFE WAS AN EXAMPLE FOR YOU.

CHIAO: YES. WE MUST LEARN FROM HIS MANY FINE QUALITIES. HE FIRMLY CARRIED OUT CHAIRMAN MAO'S LINE. THE CHINESE PEOPLE SHOULD FOLLOW HIS EXAMPLE. BUT CHINA'S SOCIAL SYSTEM IS DIFFERENT FROM YOURS. IN THE NATURAL COURSE OF THINGS SOME LEADERS DIE -- THIS WON'T AFFECT FOREIGN OR DOMESTIC POLICY. IT WON'T AFFECT THE IMPLEMENTATION.

SCOTT: THIS IS SUBSTANTIALLY WHAT I'VE SAID ABOUT OUR SITUATION

IN JANUARY. THE AMERICAN PEOPLE DON'T LIKE SHARP CHANGES. WHATEVER THE RHETORIC, THERE IS A TENDENCY TO STAY WITHIN BROADLY ESTABLISHED POSITIONS.

OUR CONGRESSIONAL VISITORS HAVE ALWAYS RETURNED WITH GOOD REPORTS OF HIGHLY AMICABLE MEETINGS AND RELATIONSHIPS. WE BELIEVE THAT OUR BILATERAL RELATIONSHIP COULD BE HELPED BY REMOVAL OF AS MANY MINOR OBSTACLES -- TECHNICALITIES -- AS POSSIBLE. SO MANY AMERICANS WANT TO VISIT CHINA. WHEN I ANNOUNCED MY VISIT, MY MAIL WAS CROWDED WITH LETTERS FROM CONSTITUENTS WHO HAD LEARNED ABOUT CHINA FROM FRIENDS, FROM DOCTORS, FROM PROFESSORS WHO HAD VISITED CHINA.

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CHIAO: THEIR DESIRE TO COME AND SEE CHINA IS QUITE UNDERSTANDABLE.
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I BELIEVE THAT AFTER NORMALIZATION SUCH EXCHANGES WILL BE MUCH MORE CONVENIENT.

SCOTT: NOT ALL REQUESTS CAN BE FULFILLED. FOR EXAMPLE, THE PHILADELPHIA ZOO WANTED A COUPLE OF PANDAS. AMBASSADOR GATES HAS GIVEN HIS SUPPORT TO THE PHILADELPHIA ZOO. HE UNDERSTANDS WHAT I MEAN. WE OWE YOU A MUSK OX I BELIEVE.

CHIAO: WITH RESPECT TO NORMALIZATION, LAST YEAR WHEN YOUR PRESIDENT AND SECRETARY OF STATE VISITED WE STATED OUR POSITION MANY TIMES. YOU ARE QUITE CLEAR.

SCOTT: YES, WE ARE QUITE ANXIOUS TO MAKE PROGRESS. WE HAVE EVEN MADE SOME SYMBOLIC MOVES IN THESE TIMES. WE HAVE REMOVED A MINOR PRESENCE FROM QUEMOY AND MATSU. WE ARE SEEKING TO REMOVE ANY INSTANCE WHICH COULD CAUSE PROBLEMS. NO MATTER WHO IS PRESIDENT, WE HAVE A PUBLIC OPINION PROBLEM. FOR THE AMERICAN PEOPLE THE PAST IS THE PAST. WE ARE PREPARING THE MINDS OF THE PEOPLE FOR NORMALIZATION.

CHIAO: YES, WE HAVE DISCUSSED THESE PROBLEMS MANY TIMES WITH RESPONSIBLE OFFICIALS MM YOUR GOVERNMENT. THE RESPONSIBILITY FOR FAILURE TO NORMALIZE DOES NOT LIE WITH THE CHINESE SIDE -- IT LIES WITH

US SIDE. WE MUST MAKE A CLEAR DISTINCTION BETWEEN RIGHT AND WRONG. THE US SIDE SHOULD BE HELD RESPONSIBLE FOR FAILURE TO NORMALIZE RELATIONS SO FAR. WE HAVE STATED THIS MANY TIMES. TO PUT IT EVEN MORE EXPLICITLY, THERE ARE THREE POINTS TO BE ACHIEVED: (1) WITHDRAWAL OF TROOPS FROM TAIWAN; (2) ABROGATION OF THE DEFENSE TREATY; AND (3) SEVERANCE OF DIPLOMATIC RELATIONS WITH TAIWAN. THIS IS OUR CONSISTENT POSITION. WE ASSUME OUR AMERICAN FRIENDS ARE QUITE CLEAR.

SCOTT: YES, THERE EXISTS AN AMERICAN PUBLIC OPINION ON THE AGREEMENT
S
OF 1954. IT WILL BE WISE FROM THE US SIDE TO ENSURE THAT AMERICAN
PUBLIC OPINION WILL NOT REGARD AS ABANDONMENT THE ABROGATION OF THE
EARLIER TREATY. THERE IS MORE WILL IN THE AMERICAN GOVERNMENT
THAN AWARENESS IN PUBLIC OPINION THAT AT SOME POINT THERE MUST BE
SOLUTIONS NOT BASED ON THE 1954 UNDERTAKINGS.
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BARNETT: YES, THE AMERICAN PUBLIC WILL HAVE TO BELIEVE THAT AB-
ROGATION OF THE 1954 TREATY IS NOT AN ACT OF BETRAYAL BUT A
CONSTRUCTIVE MOVE FOR PEACE.

CHIAO: TO DISCUSS THE PROBLEM EVEN MORE CONCRETELY LET US TRACE
BACK. AT LIBERATION IN 1949 AND AFTERWARDS IN 1950, AMERICAN SEC-
RETARY OF STATE ACHESON DECLARED TO THE WORLD THAT TAIWAN IS THE
INTERNAL AFFAIR OF CHINA AND THAT THE US WOULD NOT INTERFERE. LATER
ON YOU CONCLUDED THE TREATY. WE UNDERSTAND YOUR POSITION, BUT
AT THE OUTSET WE REGARDED YOUR POSITION AS ILLEGAL. IN 1955
THE TWO SIDES BEGAN TALKS ON THE ISSUE OF TAIWAN. THESE LASTED
UNTIL (1971 SUPPLIED BY TANG WEN-SHENG). OUR POSITION HAS BEEN CON-
SISTENT. NO FOREIGN COUNTRY HAS A RIGHT TO INTERFERE IN THE AFF-
AIRS OF CHINA AND ONE OF ITS PROVINCES. THIS HISTORY STARTED IN

1949.

SCOTT: YOU WERE HERE WHEN YOUR ESTEEMED PREMIER CHOU EN-LAI GAVE
THE SAME HISTORICAL OUTLINE. WE UNDERSTAND YOUR VIEWS ENTIRELY.
OUR PROBLEM IS THE INTERNAL PROBLEM OF AMERICAN PUBLIC OPINION.
THE MORE EVIDENCE WE HAVE TO ASSURE THE AMERICAN PEOPLE THAT THERE IS
BUT ONE CHINA -- AND THAT THIS CAN BE WORKED OUT WITHOUT MILITARY
ACTION ON EITHER SIDE -- THEN IT BECOMES EASIER TO EXPLAIN TO THE
AMERICAN PEOPLE THAT A SOLUTION IS UNLIKELY TO BE ACCOMPANIED BY
MILITARY ACTION. AND THEY ARE LESS LIKELY TO OPPOSE THE POLICY.
I SPEAK FOR MYSELF, NOT THE PRESIDENT. IT IS A PROBLEM, WITHOUT
WISHING TO INTRUDE IN YOUR INTERNAL AFFAIRS. THE NEED IS FOR US
TO BELIEVE THAT THE SOLUTION IS A PEACEFUL SOLUTION.

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FM USLO PEKING

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C O N F I D E N T I A L SECTION 3 OF 4 PEKING 1284

EXDIS

CHIAO: IN PRINCIPLE THIS IS SELF-CONTRADICTORY. ON THE ONE HAND YOU RECOGNIZE THAT THER IS ONLY 1 CHINA AND THAT TAIWAN IS A PART OF CHINA. ON THE OTHER HAND YOU ASK CHINA TO DO THIS AND THAT. ISN'T THAT AN INTERFERENCE IN CHINA'S INTERNAL AFFAIRS.

SCOTT: I WAS TALKING ALONG DIFFERENT LINES -- HOW TO MOLD PUBLIC OPINION.

WHEN I RETURN MY FIRST SPEECH WILL BE TO THE OVERSEAS PRESS CLUB. HOW TO MOLD PUBLIC OPINION IS THE IMPORTANT THING, AND HOW SOLUTIONS ARE FOUND -- THEY MUST BE PEACEFUL. THE U.S. DOESN'T SEEK TO INTERFERE IN CHINA'S DOMESTIC SITUATION. CONDITIONING OF PUBLIC OPINION (IN THE U.S.) CAN HELP US CHANGE THE SITUATION EXISTING SINCE 1954. I BELIEVE THIS IS CONSISTENT WITH THE U.S. POSITION IN THE SHANGHAI COMMUNIQUE. BUT THIS IS ARGUABLE ON THE CHINESE SIDE; THE WORDING IS A LITTLE DIFFERENT ON YOUR SIDE.

CHIAO: I SEE THAT MR. FREEMAN IS SMILING. ON THE ISSUE OF TAIWAN IN T HE SHANGHAI COMMUNIQUE, IT IS STATED THAT "ALL CHINESE ON BOTH SIDES OF THE TAIWAN STRAIT ACKNOWLEDGE THAT THERE IS ONLY ONE CHINA." WE THINK YOUR PRESENT ATTITUDE DOES NOT CONFORM TO YOUR ORIGINAL ATTITUDE OF RECOGNIZING ONLY ONE CHINA. YOU WANT US TO DO THIS OR THAT WITH REGARD TO TAIWAN. THIS DOES NOT CONFORM.

SCOTT: WE HAVE NO RIGHT TO SAY "DO THIS OR THAT." BUT IT WOULD BE HELPFUL FOR OUR SIDE TO PUT THINGS IN THE FRAMEWORK OF A PEACEFUL SOLUTION.

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CHIAO: THIS IS AN OLD PROBLEM. WE CAN REITERATE CHINA'S CONSISTENT POSITION AND ITS CONDITIONS FOR NORMALIZATION. THE U.S. SIDE SHOULD BE HELD REPSONSIBLE FOR THE FAILURE TO REALIZE NORMALIZATION. IF THE U.S. GOVERNMENT HAS DIFFICULTIES WE WON'T PRESS YOU, BUT IT IS AN ISSUE OF RIGHT AND WRONG. CAN WE SHIFT TO ANOTHER SUBJECT?

SCOTT: PERHAPS YOU HAVE READ ARTICLES BY MR. BARNETT ON VARIOUS FORMULAS FOR EVOLUTION. (TANG WEN-SHENG NODS AFFIRMATIVELY; OTHERS DO NOT SEEM FAMILIAR WITH ARTICLES.) WE WILL BE GLAD TO DISCUSS ANY SUBJECT. MR. BARNETT HAS WRITTEN FOR FOREIGN AFFAIRS MAGAZINE. ALSO FOR WORLDVIEW. I THINK WE CAN MAKE THESE AVAILABLE TO YOU. THESE ARE THE VIEWS OF A PRIVATE CITIZEN, OF COURSE. BUT MR. BENNETT IS ALSO THE PRESIDENT OF THE ASIA SOCIETY.

CHIAO: IS MR. BARNETT FROM BROOKINGS?

BARNETT: NO, THAT IS MY BROTHER AT BROOKINGS.

CHIAO: ARE YOUR VIEWS THE SAME?

BARNETT: MY VIEWS ARE SIMILAR TO HIS IN MANY RESPECTS.

CHIAO: WE WILL BE INTERESTED IN READING THEM. (CHIAO FIRST MISUNDERSTANDS AND THINKS THAT THERE IS A LARGE GAP BETWEEN THE VIEWS OF THE BARNETT BROTHERS. TANG WEN-SHENG CLARIFIES, SAYING "I WAS JUST SAYING THAT A CONSIDERABLE GAP STILL EXISTS BETWEEN US" -- I.E. CHINA AND THE U.S.)

SCOTT: THAT MAY BE SO, BUT HE WAS BORN IN SHANGHAI AND YOU WERE BORN IN BROOKLYN.

CHIAO: NEVERTHELESS THERE IS STILL A DISTANCE.
WHAT ABOUT EUROPE AND THE WORLD AS A WHOLE. WHAT ARE YOUR VIEWS?

SCOTT: THAT IS A LARGE PACKAGE. IF I CAN VENTURE SOME VIEWS AND REACTIONS. I BELIEVE THAT THE AMERICAN COMMITMENT IS STILL TO A STRONG AMERICAN PRESENCE AND COMMITMENT TO EUROPE. WE STRONGLY SUPPORT NATO. SEN. HUMPHREY AND I RECENTLY VISITED SEVERAL EUROPEAN COUNTRIES AND

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ASSURED THEM THAT THIS IS SO. SEN. HUMPHREY AND I BELONG TO DIFFERENT SO WE ARE BIPARTISAN. WE DO NOT FAVOR A WEAKENING OF OUR PRESENCE IN BERLIN OR ON THE CONTINENT OF EUROPE. WE ARE VERY INTERESTED IN THE RECENT MEETING OF THE EUROPEAN COMMUNIST PARTIES. WHAT ARE YOUR VIEWS? DO YOU BELIEVE THAT THE MEETING WAS USEFUL OR COUNTERPRODUCTIVE? YOU KNOW THAT MY VIEWS AND THE VIEWS OF SENATOR MANSFIELD ARE DIFFERENT IN SOME RESPECTS; ONE OF THEM IS ON MAINTAINING OUR POSITION IN EUROPE. I BELIEVE IN KEEPING A SUBSTANTIAL TROOP COMMITMENT. SENATOR MANSFIELD CALLED FOR A 10 PCT REDUCTION. HIS PROPOSAL WAS DEFEATED BY A VOTE OF 53-39. HIS VIEWS ARE IN THE MINORITY AND HE HAS NOW DROPPED HIS PROPOSAL. WITH REGARD TO ITALY, WE HAVE TO WAIT FOR THE COMPOSITION OF THE NEW GOVERNMENT. WE ARE UNABLE TO DECIDE OUR POLICY UNTIL THE

GOVERNMENT IS CONSTITUTED. UNLESS IT IS EVIDENT THAT THEY ARE ACTING ON THE ORDERS OF ANOTHER POWER, THERE WILL BE NO CHANGE IN OUR POLICY. GENERALLY, WE FAVOR STRENGTH IN EUROPE. THIS WILL LIKELY NOT BE AN ISSUE. PRESIDENT FORD, GOVERNOR REAGAN, AND GOVERNOR CARTER ALL AGREE ON THIS.

CHIAO: MY IMPRESS FROM THE LAST TIME SEN. MANSFIELD AND I MET AND TALKED WAS THAT HE ALSO FAVORED WITHDRAWAL OF FAMILY DEPENDENTS AND LOGISTICAL PERSONNEL.

SCOTT: YES, PLUS 100,000 SOLDIERS. BUT HE HAS LOST ON THIS QUESTION. THERE HAS BEEN ONE VERY IMPORTANT DEVELOPMENT. CONGRESS HAS CHANGED ITS ATTITUDE ABOUT ARBITRARILY CHANGING THE PRESIDENT'S REQUEST FOR A STRONG BUDGET FOR NATIONAL DEFENSE. AMBASSADOR GATES REMEMBERS THAT DURING THE 1950S AND 1960S THE CONGRESS USED TO CUT THE PRESIDENT'S PROPOSED DEFENSE BUDGET BY 5 PCT OR EVEN 10 PCT. PRIOR TO THIS YEAR THERE WERE CUTS OF \$4-7 BILLION. BUT THIS YEAR 99.4 PCT OF THE PRESIDENT'S REQUEST WAS APPROVED. THE CONGRESS HAS DECIDED THAT THE PRESIDENT KNOWS BEST ABOUT NATIONAL DEFENSE AND IT FAVORS A STRONG NATIONAL DEFENSE.

CHIAO: WE HAVE DISCUSSED THIS QUESTION MANY TIMES IN THE PAST WITH AMERICAN FRIENDS. WE FAVOR A TRULY EQUAL PARTNERSHIP BETWEEN THE U.S. AND THE EUROPEAN COUNTRIES. BOTH SIDES HAVE A NEED. BUT THE NATURE OF THE ARRANGEMENT IS YOUR AFFAIR.
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SCOTT: WOULD YOU CARE TO COMMENT ON THE MEETING OF EUROPEAN COMMUNIST PARTIES? HOW DOES IT IMPACT ON ASIA? WAS IT A GOOD THING OR

NOT? HOW DO YOU VIEW THE INCREASING INDEPENDENCE OF SOME COUNTRIES?

CHIAO: WE HAVE ALWAYS HAD A FEELING ON THIS ISSUE -- THAT YOU ARE TOO NERVOUS ON THE ITALY SITUATION. AT LEAST THE MEETING OF EUROPEAN COMMUNIST PARTIES HAS PROVED THAT. I SHOULD NOT REGARD THE COMMUNIST PARTY OF ITALY AS A REVISIONIST PARTY, AS A FIFTH COLUMN FOR THE SOVIET UNION. THE MEETING OF EUROPEAN COMMUNIST PARTIES HAS PROVED THIS.
I CAN'T SEE ANY GREATER USE OF IMPACT OF THE MEETING. THE BATON OF THE SOVIET UNION WAS LESS AND LESS EFFECTIVE.

SCOTT: YES, MR. BREZHNEV SEEMED LESS INVOLVED IN WRITING THE MEETING'S COMMUNIQUE. THIS IS MY PRIVATE CITIZEN'S VIEW.

CHIAO: WE THINK THAT ALTHOUGH THE CONFERENCE HAS HELD, THERE WILL BE NO NEW EFFECT ON THE SOVIET EXPANSION POLICY. THIS IS THE BIGGEST PROBLEM CONCERNING EUROPE.

SCOTT: WE ARE ANXIOUS TO KEEP TALKS GOING -- BUT CONCERNED THAT THERE BE AN EQUALITY OF RESULT.

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ACTION SS-25

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C O N F I D E N T I A L SECTION 4 OF 4 PEKING 1284

EXDIS

CHIAO: IT IS TRULY A PROBLEM -- AS TO HOW TO DEAL WITH THE SOVIET UNION.

LAST YEAR AT ABOUT THIS TIME, AT THE END OF JULY AND IN EARLY AUGUST, THE EUROPEAN SECURITY CONFERENCE WAS HELD. AT THAT TIME WE REGARDED THE CONFERENCE A REFLECTION OF MUNICH THINKING. OUR VIEW WAS THAT THE SOVIET UNION ACHIEVED FROM THE EUROPEAN SECURITY CONFERENCE A RECOGNITION OF ITS SPHERE OF INFLUENCE IN EASTERN EUROPE. I'M NOT CLEAR ON WHAT YOU GOT. PEOPLE CAN SEE IT MORE CLEARLY ONE YEAR LATER.

SCOTT: THERE WAS SOME FEELING THAT THE SOVIET UNION WAS MORE ANXIOUS THAN

THE U.S. FOR THE CONFERENCE. THERE IS NOW GROWING CRITICISM IN THE U.S. THAT THE SOVIET UNION HAS PAID NO ATTENTION TO HUMAN RIGHTS, WHICH WAS AN ISSUE IN THE CONFERENCE.

WHAT IS YOUR REACTION TO ASEAN'S FORMULA AS A MEANS OF IMPROVING COMMUNICATION? HOW DOES THE GOVERNMENT OF CHINA REGARD ASEAN? IS IT USEFUL IN THE DEVELOPMENT OF ASIA?

BARNETT: WHAT ABOUT THE ZONE OF PEACE, FREEDOM AND NEUTRALITY, WHICH IS

THE BASIC ASEAN PRINCIPLE?

SCOTT: YOU HAVE PUT IT MUCH BETTER THAN I STATED IT.

CHIAO: THERE IS A GENERAL TREND FOR THE FIVE ASEAN COUNTRIES TO ESTABLISH A ZONE OF PEACE, FREEDOM AND NEUTRALITY. OUR POSITION IS TO CONFIDENTIAL

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SUPPORT THIS TREND. WE SUPPORT THE ASEAN COUNTRIES' DESIRE FOR PEACE, FREEDOM AND NO EXTERNAL CONTROL. WE HAVE STATED THIS TO THE ASEAN LEADERS. THIS IS STILL OUR POSITION.

SCOTT: I AM HAPPY TO HEAR IT.

CHIAO: BECAUSE IN THE SHANGHAI COMMUNIQUE IT IS STATED THAT NEITHER SIDE SHOULD SEEK HEGEMONY IN THE ASIA-PACIFIC REGION. BOTH SIDES OPPOSE ANY THIRD COUNTRY SEEKING TO IMPOSE ITS HEGEMONY IN THE REGION. WE SUPPORT THE ASEAN TREND. EARLY THIS YEAR THE ASEAN HEADS OF GOVERNMENT HELD A SUMMIT MEETING IN BALI. THE GENERAL TREND IS GOOD.

SCOTT: I AM HAPPY TO HEAR THIS.

CHIAO: AS OUR AMERICAN FRIENDS MAY KNOW, WE HAVE ESTABLISHED RELATIONS WITH THAILAND, MALAYSIA AND THE PHILIPPINES. WE HAVE NO RELATIONS WITH SINGAPORE AND INDONESIA.

SCOTT: IN NOVEMBER MR. BARNETT AND I WILL BE IN MALAYSIA TO ATTEND THE WILLIAMSBURG CONFERENCE. JOHN ROCKEFELLER FOUNDED THIS CONFERENCE.

THE JAPANESE ECONOMIST (?) WILL ATTEND. SOJAT MOKO (?) OF INDONESIA WILL BE THERE. THE CONFERENCE HAS EXTENDED AN OPEN INVITATION TO YOUR COUNTRY TO SEND A REPRESENTATIVE. NO REPRESENTATIVE FROM TAIWAN CAME TO THE LAST CONFERENCE.

BARNETT: THERE HAS NEVER BEEN A REPRESENTATIVE FROM TAIWAN AT THIS CONFERENCE.

SCOTT: MR. JACK CHEN ABLE EXPRESSED WHAT HE FELT WERE THE VIEWS OF THE PRC GOVERNMENT. HE DID A VERY ACCEPTABLE JOB.

BARNETT: THE SENATOR IS REFERRING TO THE MEETING IN DJAKARTA IN 1972.

CHIAO: WE ARE NOT TOO CLEAR ABOUT THIS CONFERENCE.

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SCOTT: WELL, I'VE DONE MY DUTY (E.E. TO BARNETT). IF I HADN'T MENTIONED

THE CONFERENCE I WOULD HAVE LOST A FRIEND.

I'D LIKE TO ADD THAT WE WOULD WELCOME CONTINUING IMPROVEMENT IN
TRADE RELATIONS.

CHIAO: THIS IS A GOOD DESIRE, BUT I'M NOT TOO CLEAR ON CONCRETE
PROBLEMS.

SCOTT: NEITHER AM I.

CHIAO: OUR FOREIGN TRADE MINISTRY FRIENDS POSSIBLY ARE BETTER
ACQUAINTED WITH THE CONCRETE SITUATION.

SCOTT: MAY I ASK WHETHER IT IS PROPER TO LET ANY OF OUR GUESTS ASK
QUESTIONS?

CHIAO: YES, PLEASE.

BARNETT: I'D LIKE TO ASK ONE QUESTION REGARDING MEMBERSHIP OF ASEAN.
THERE ARE THOSE FAVORING TAKING IN VIETNAM. OTHERS WOULD LIKE
TO DELAY. HOW DOES CHINA FEEL ABOUT THE ENLARGEMENT OF THE ASEAN
ZONE TO INCLUDE VIETNAM.

CHIAO: THIS IS A PROBLEM BETWEEN ASEAN AND THE 3 INDOCHINESE COUNTRIES.

IF THEY AGREE WE HAVE NO OBJECTION.

AMB. GATES: I HAVE NO QUESTIONS. THE FOREIGN MINISTER VERY GRACIOUSLY
RECEIVED ME WHEN I ARRIVED. IF WE HAVE ANY QUESTIONS AFTERWARDS
WE WILL DISCUSS THEM THEN.

SCOTT: THE AMBASSADOR OBSERVED OUR 200TH BIRTHDAY RECENTLY WITH MANY
DECORATIONS. HE IS A DESCENDANT OF THOSE WHO FOUGHT IN THE
REVOLUTION. WE ARE REVOLUTIONARIES TOO.

CHIAO: ACTUALLY, IN HISTORY THE U.S. IS AMONG THE EARLIEST NATIONS WHO
WAGED A STRUGGLE FOR INDEPENDENCE.

SCOTT: THE OLDEST WRITTEN CONSTITUTION IS OURS.
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CHIAO: WHAT ABOUT YOU, MR. FREEMAN? PLEASE USE CHINESE.

FREEMAN: I'M NOW INVOLVED IN INTERNAL QUESTIONS SO TEMPORARILY I WILL NOT SPEAK.

CHIAO: WHEN YOU WERE IN SHANGHAI, MR. FREEMAN, YOU ASKED FOR 24 VOLUMES

OF CHINESE HISTORY AND THE COLLECTED WORKS OF LU HSUN FOR THE DEPARTMENT OF STATE. DID YOU RECEIVE THEM?

FREEMAN: YES, THEY ARE IN THE DEPARTMENT OF STATE LIBRARY. I OFTEN GO THERE TO READ THEM.

SCOTT: THE ILLUSTRATIONS OF THE CHANGSHA EXCAVATIONS THAT YOU GAVE ME I DONATED TO THE PHILADELPHIA MUSEUM. THEY ARE VERY GOOD, MUCH BETTER

THAN THE JAPANESE REPRODUCTIONS.

CHIAO: I THINK WE SHOULD CONCLUDE NOW SINCE I AM INVITING YOU TO AN INFORMAL DINNER TONIGHT. WE WILL DISCUSS WITH YOU SOME RECENT ARCHEOLOGICAL FINDS. MR. WANG CHIU-YEH WILL DISCUSS THEM TONIGHT WITH YOU AT DINNER.

SCOTT: I AM VERY GRATEFUL. I AM ALSO GRATEFUL FOR THE FOREIGN MINISTER

ASKING ME TO SEND A COPY OF MY ART BOOK TO PREMIER CHOU. YOU ASKED ME AT MRS. ENGELHART'S HOME. LET ME CONCLUDE BY SAYING THAT WE ARE VERY MUCH HONORED. SOME OF THE MEMBERS OF MY PARTY NEVER IN THEIR WILDEST DREAMS IMAGINED THAT THEY WOULD SEE CHINA SOME DAY. SOME OF THEM ARE NOW IMPROVING CHINA'S BALANCE OF PAYMENTS BY SHOPPING.

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